



**George H. Ryan, Governor**  
**A. George Hovanec, Acting Director**

## **Illinois Department of Public Aid**

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### **INFORMATIONAL NOTICE**

**TO:** Enrolled Hospices

**RE:** RATE CHANGES EFFECTIVE OCTOBER 1, 2002

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The Centers for Medicare and Medicaid Services (CMS) recently notified the Department of the annual update of Medicaid hospice rates for federal fiscal year 2003. This notice serves to inform hospice providers of the revised rates which are effective for claims with dates of service from 10/01/02 through 9/30/03.

Payment for routine home care (revenue code 651) and continuous home care (revenue code 652) is based upon the geographic location at which the service is furnished. Attached is a table identifying the Metropolitan Statistical Area (MSA) County/Rural regions, the corresponding MSA codes and wage indices. The reverse side of the table shows the revised wage component and unweighted amount to be used in the calculation of rates for routine home care and continuous home care for dates of service 10/1/02 through 9/30/03.

Rates for general inpatient care (revenue code 656) and inpatient respite care (revenue code 655) are based upon the MSA where the hospice provider is located. Rates for general inpatient and inpatient respite care will be updated and shown on the individual hospice provider's Provider Information Sheet. The Provider Information Sheets will be generated by the Department and mailed to each hospice, once the updates have been completed.

If you have any questions concerning this notice, please contact your billing consultant in the Bureau of Comprehensive Health Services at (217) 782-5565.

A. George Hovanec, Administrator  
Division of Medical Programs

**FEDERAL FY 2003 REVISED HOSPICE RATES (10/01/02 – 09/30/03)**

| <b>STATE/COUNTY</b>   | <b>MSA<br/>CODE</b> | <b>WAGE INDEX</b> |
|---|---------------------|-------------------|
| ILLINOIS / McLean   | 1040                | 0.9611            |
| ILLINOIS / Champaign-Urbana   | 1400                | 0.9896            |
| ILLINOIS / Cook, DeKalb, DuPage, Grundy, Kane,<br>Kendall, Lake, McHenry, Will  | 1600                | 1.1747            |
| ILLINOIS / Henry, Rock Island; IOWA / Scott   | 1960                | 0.9186            |
| ILLINOIS / Macon  | 2040                | 0.8494            |
| ILLINOIS / Kankakee   | 3740                | 1.0516            |
| ILLINOIS / Peoria, Tazewell, Woodford   | 6120                | 0.9329            |
| ILLINOIS / Boone, Ogle, Winnebago   | 6880                | 0.9788            |
| ILLINOIS / Clinton, Jersey, Madison, Monroe, St. Clair;<br>MISSOURI / Franklin, Jefferson, Lincoln, St. Charles, St.<br>Louis, St. Louis city, Warren | 7040                | 0.9497            |
| ILLINOIS / Menard, Sangamon   | 7880                | 0.9226            |
| ILLINOIS / Rural  | 9914                | 0.8564            |
| INDIANA / Rural   | 9915                | 0.9274            |
| INDIANA / Terre Haute   | 8320                | 0.9073            |
| IOWA / Rural  | 9916                | 0.8664            |
| KENTUCKY / Rural  | 9918                | 0.8468            |
| MICHIGAN / Rural  | 9923                | 0.9571            |
| MINNESOTA / Rural   | 9924                | 0.9608            |
| MINNESOTA / Minneapolis-St. Paul  | 5120                | 1.1623            |
| MISSOURI / Rural  | 9926                | 0.8391            |
| WISCONSIN / Rural   | 9952                | 0.9641            |
| WISCONSIN / Milwaukee   | 5080                | 1.0603            |

**CALCULATION OF REVISED FFY 2003 HOSPICE HOME CARE RATES  
RATES EFFECTIVE 10/01/02 – 09/30/03**

| Revenue Code | Wage Component | Unweighted Amount |
|--------------|----------------|-------------------|
| 651          | \$78.57        | \$35.78           |
| 652          | \$458.14       | \$208.64          |

Below are the formulas and examples for calculating routine home care and continuous home care rates:

**FORMULAS**

**ROUTINE HOME CARE (651)**

**MSA Wage Index**  
**x Wage Component**  
**= Base Rate**  
**+ Unweighted Amount**  
**= Daily Rate**

**CONTINUOUS HOME CARE (652)**

**MSA Wage Index**  
**x Wage Component**  
**= Base Rate**  
**+ Unweighted Amount**  
**= Daily Rate**  
**Divided by 24**  
**= Hourly Rate**

**EXAMPLES**

**ROUTINE HOME CARE (651)**

MSA Code                      1040  
 Wage Index                      0.9611  
 Wage Component      x      \$78.57  
 Base Rate                      =      \$75.51  
 Unweighted Amount      +      \$35.78  
 Daily Rate                      =      \$111.29

**CONTINUOUS HOME CARE (652)**

MSA Code                      1040  
 Wage Index                      0.9611  
 Wage Component      x      \$458.14  
 Base Rate                      =      \$440.32  
 Unweighted Amount      +      \$208.64  
 Daily Rate                      =      \$648.96  
    Divided by 24  
 Hourly Rate                      =      \$27.04